

§ 24-11.2. Disclosure requirements for charge cards.

(a) Applications and Other Communications. – This section applies to any application, solicitation of an application, offer of credit, or communication extending credit that is:

- (1) For credit accessed through a charge card;
- (2) Printed;
- (3) Mailed or otherwise delivered to a person at any address within this State;
- (4) Not delivered pursuant to an existing credit agreement; and
- (5) Not printed in a newspaper, magazine, or periodical generally circulated outside as well as inside the State.

For purposes of this section, the term "charge card" means any card, plate or other device pursuant to which the charge card issuer extends credit which is not subject to a finance charge and where the charge cardholder cannot automatically access credit that is repayable in installments.

(b) Disclosures. – The following disclosures shall be clearly and conspicuously made in or with all documents described in subsection (a) of this section:

- (1) The annual fee and other charges, if any, applicable to the issuance or use of the charge card.
- (2) That charges incurred by the use of the charge card are due and payable upon receipt of a periodic statement of charges.
- (3) Any delinquency charge, late charge, or collection charge which may be assessed for late payment, including the terms and conditions for the imposition of such charge.

(c) Federal Requirements. – The form and content of the disclosures described in subsection (b) may be consistent with similar disclosures required by the federal Truth-in-Lending Act, 15 U.S.C. § 1601 et seq., and Regulation Z, 12 C.F.R. 226. Any amendment to the Act or Regulation that addresses credit card disclosures shall, to the extent it covers applications, solicitations, and other communications covered by this section, replace the disclosure requirements of this section for creditors subject to the Act.

(d) Penalty. – A violation of this section shall constitute a violation of G.S. 75-1.1 except that the creditor shall not be liable for any fine, civil penalty, treble damages, or attorney's fee where the creditor shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(e) Severability. – If any part of this section is found unconstitutional or is preempted by federal law with regard to a creditor because the creditor is located outside of the State, that part does not apply to creditors located within the State.

(f) Nothing in this section shall be construed to authorize any fee, charge, surcharge or penalty not otherwise authorized by law. (1987, c. 735. s. 1.)